

WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946

Richard Sweet
Assistant Director
(608) 266-2982



David J. Stute, Director
Legislative Council Staff
(608) 266-1304

One E. Main St., Ste. 401
P.O. Box 2536
Madison, WI 53701-2536
FAX: (608) 266-3830

CLEARINGHOUSE RULE 96-182

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

- a. In s. Ins 23.10 (4) and (7), “Premiums” and “Policy” should be lower case.
- b. In s. Ins 23.20 (1) (intro.), the colon should be preceded by “either of the following occur.” Paragraph (a) should end with a period rather than “; or.”
- c. In s. Ins 23.25, the second subsection should be numbered as sub. (2), rather than sub. (1).
- d. Section Ins 23.30 (1) (intro.) should end with “all of the following occur.” In par. (f), “30” should replace “thirty (30).” In sub. (2) (intro.), “all of” should precede “the following.”
- e. In s. Ins 23.30 (1) (b), reference is made to a “benefit value.” Elsewhere, reference is made in the rule to “death benefit.” (See, for example, s. Ins 23.35 (1).) Terms should be used consistently throughout the rule.
- f. In s. Ins 23.30 (2) (b) 1., “, including commissions” should be deleted, since the definition of “consideration” in s. Ins 23.10 (3) includes commissions.
- g. In s. Ins 23.30 (2) (b) 2., “and incentives” should be deleted. “Consideration” is defined, “incentives” is not. Also, the definition of consideration would appear to be broad enough to cover incentives.

h. In s. Ins 23.70 (6), the provision does not follow approved rules format. Under s. 1.03 (intro.), Manual, if a provision is to be subdivided into further units, there must be at least two parts. Subsection (6) has a par. (a) but no par. (b). Thus, sub. (6) (intro.) and (a) should be combined.

i. In the applicability clause, “July 1, 1997” should replace “the above date.”

4. Adequacy of References to Related Statutes, Rules and Forms

a. The analysis of the rule states “Section 632.41 (2) (b) 2., Stats., of 1995 Senate Bill 535 requires” It should state: “Section 632.41 (2) (b) 2., Stats., as created by 1995 Wisconsin Act 295, requires”

b. Section Ins 23.10 (2) defines “agent” as “. . . an insurance intermediary as defined in s. 628.02, Stats.” However, none of the subsections in s. 628.02 define “insurance intermediary.” Subsection (1) describes an “intermediary” and sub. (4) describes an “insurance agent.” Should the rule use “. . . an intermediary as described in s. 628.02 (1), Stats.”

c. Section Ins 23.35 (2) (b) 3. should read: “3. Any benefit similar to a benefit under subd. 1. or 2.”

d. In s. Ins 23.40, it appears that “sub. (2)” should replace “sub. 2.”

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. In s. Ins 23.20 (1) (a), “provides” is misspelled.

b. In s. Ins 23.30 (1) (d), what is “third-party notification”?

c. In s. Ins 23.30 (2) (d), “prepared” is misspelled. Also, there should be a space between “the” and “policy” in the second line of par. (d).

d. In s. Ins 23.40 (2), what are “inappropriate sales tactics by agents”? Is there a provision of statutes or rules that should be cross-referenced?

e. In s. Ins 23.50 (2), the insurer is prohibited from paying the actual final costs of the burial expenses to the funeral director or funeral establishment. The provision should state to whom the remainder will be paid if the benefits of the policy exceed these expenses.

f. In s. Ins 23.70 (6) (a), in statement 1, “that” should be replaced by “than.”

g. In s. Ins 23.30 (1) (b), an insurer is prohibited from selling or issuing a policy as a funeral policy unless it has an “increasing benefit value” of not less than 3% per annum compounded annually, where the prearranged funeral plan does not guarantee any burial costs. Section 23.35 (1) requires that the death benefit must equal or exceed the cumulative premiums which may be required or paid for the policy, plus interest at the rate of 3% per annum. What is the relationship between the two provisions? It is unclear as drafted.